

FISCAL NOTE

HB 3017 - SB 3090

February 28, 2000

SUMMARY OF BILL:

- Makes the Insurance Holding Company System Act applicable to health maintenance organizations.
- Authorizes the Department of Commerce and Insurance to take possession of property that belongs to a domestic insurer or HMO and conduct the business of an HMO upon a determination that any person has committed a violation that impairs its financial condition or threatens insolvency.
- Makes other changes in the law regarding the regulation of an HMO's management, cash reserves and holding company agreements.
- Eliminates some of the department's authority over TennCare MCOs but allows the Commissioner to contract with an entity independent of the state to conduct annual reviews of TennCare MCOs.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Assumes a not significant increase in expenditures in the Department of Commerce and Insurance to enforce provisions contained in the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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